

July 1, 2023 rate increases for DD providers

Frequently Asked Questions

Q. How was the 2% inflationary adjustment and \$1/hour increase applied to the rates?

A. Rate Matrix Services

- 2% inflationary adjustment – this was applied to the wage column and continued throughout the rate matrix as done with previous inflationary adjustments.
- \$1/hr. increase - the appropriations the Department received only applied this increase to the direct care staff and indirect program support staff. Therefore, the Wage, ERE, Relief Staff, Program Support and Vacancy (where applicable) components were adjusted. In keeping with legislative intent, the impact of the \$1/hr. increase was not applied to the general & admin component (column N). As a result, the percentage for column N calculates at 10.5% whereas before the application of the \$1/hr., this component was at 11.1%.

Non-Rate Matrix Services

- 2% inflationary adjustment – this was applied to all components of the rate as done with previous inflationary adjustments.
- \$1/hr. increase – only applied to the salary and program coordination components.

Q. Do we have to give our direct care staff the \$1/hour increase?

A. Yes, that was the intent of the 2023 Legislative Assembly. All rates as of 7/1/23 have increased to account for the inflationary adjustment and the \$1/hr. increase (see section 49 of Senate Bill 2012).

Q. Is the report required?

A. Yes, the 2023 legislation required DD providers to provide a report to the Department as determined by the department.

Q. Why is the ICF provider assessment (bed tax) rate different?

A. CMS allows for a tax equal to or less than 6% of the revenues of taxpayers. Based on three quarters of actuals for state fiscal year 2023, we expect we will exceed the 6% limitation, in turn, we need to issue a credit in the first quarter of state fiscal year 2024. The effective rate for 7/1/2023 includes the SFY 2023 credit.

Quarterly Amount SFY 2024	\$2,989.00
Less Credit for SFY 2023	(801.00)
Provider Assessment 7/1/2023	\$2,188.00

The tax assessed on October 1st and all quarters after would need to be updated to the full amount for SFY 2024 which would be the \$2,989.00.